regulated speculation can help markets set a fair price for a commodity. Unfortunately, under this administration, speculation and hedging have gotten way out of hand, driving up the price of oil to record heights and squeezing the American consumer as never before. When the price of oil skyrocketed this summer, it was not because of a sudden increase in demand, nor because OPEC suddenly decided to pump less. It was because of trading on Wall Street by folks who never intended to own a barrel of oil.

We owe to it every family struggling to meet rising gas bills, every farmer filling up his tractor, every trucker buying fuel to move product to make sure this trading is fair and on the level. Folks in Montana don't have a problem with anyone making a buck, but we do believe in the American dream. We will not put up with folks who game the system.

I call on my Senate colleagues, Democrats and Republicans alike, to join together and pass the Stop Excessive Energy Speculation Act. This bill will strengthen the Commodity Futures Trading Commission to crack down on Wall Street speculators in the oil market. More watchdogs, more transparency will stop people from gaming the system and artificially and unnecessarily driving up prices at the pump. We need this bill.

When it comes to getting control of high gas prices, this is only the beginning. Beyond speculation, we need to drill for oil in places that make sense right here in America, and production of renewable fuels must go hand in hand with drilling for more oil.

One of the places it makes sense to drill for oil is in the Bakken Formation in eastern Montana and North Dakota. The Bakken field is a place we will hear about again and again. New technology is allowing smaller producers to extract more oil. There is more than 4 billion barrels of oil in the Bakken field. It is hard work, but these are good jobs, and the salaries are good too. And they are right here at home. All you need is a strong back, a cattle stand, a good work ethic, and a clean record, and you can find jobs that start for as much as $25 an hour.

The Bakken field isn't the only place where drilling makes sense. Last week, the Interior Department finally opened 2 million acres in the Alaska National Petroleum Reserve, and it is about time. It is all part of the puzzle to free America from the grip of foreign oil and lower the price of gas at the pump.

However, anybody who tells you we can drill our way out of this problem is not shooting straight. Congress has been debating whether to extend tax credits for wind, solar, and other renewable energy sources, and we ought to stop extending the production tax credit on an annual basis. A long-term extension of these tax credits will really make a difference.

Over the long haul, we know we cannot simply drill our way out of this problem. We must invest in conservation and sustainable energy such as biofuels. It is all part of the puzzle to free America from the grip of foreign oil and lower prices of gas at the pump.

Earlier this summer, Congress passed the farm bill over the President's veto. That bill included hundreds of millions of dollars for advanced biofuels. The farm bill also contained a provision I was able to offer to encourage the production of camelina. Camelina is a crop that can be grown in Montana and other places and can be processed into biodiesel to run tractors, combines, farm equipment, and diesel engines. The byproduct of camelina makes a nutritious feed for livestock. Camelina truly is a win-win solution for renewable energy. We need to encourage more of these commonsense answers to our energy crisis.

Finally, conservation must play a significant role in solving our Nation's energy crisis. If we are ever going to free America from the grip of foreign oil, we must find real ways for consumers to use less fuel.

Last year, Congress increased auto fuel-efficiency standards for the first time in a generation. But it took 20 years of fighting, and eventually a Democratic Congress got it passed. Those new standards will save about 1.1 million barrels of oil a day by 2020, or about as much as produced by the State of Texas.

One hundred years ago, the Model T got 25 miles per gallon. Now a car gets 28 miles per gallon. Since that time, we have split the atom, sent a man to the Moon, developed computers, and mapped out the human genome. Yet we get the same fuel efficiency? Come on. That is not right. Conservation is the easiest and cheapest thing we can do to keep energy costs down.

Part of the energy tax package will help homeowners and businesses make those savings themselves. A partisan majority of the Senate supports this bill, but a small minority keeps us from getting it done.

The State of Montana recently announced an initiative to help citizens increase insulation in preparation for next winter's high heating bills.

These are all steps in the right direction, but we have more work to do to reduce energy consumption. The United States is the single largest consumer of energy in the world. We cannot continue on this unsustainable path. To do so would forfeit our national security to countries such as Russia, Venezuela, Nigeria, and Saudi Arabia. That would be a tragic legacy to leave to our children. We need a comprehensive approach to bring down the price of gas and address this energy crisis in the long term. We need to crack down on speculation and greedy hedging to manipulate the oil markets. We need to increase production of fossil fuels where it makes sense and develop renewables for the long haul, and we need innovative solutions to reduce our overall energy consumption.

Some people think the economic pressure on the middle class is all in their heads. We know better. Folks in Montana know this energy crisis is real and it is bad. The Senate must act now to pass constructive legislation to bring down the price of energy at the pump. It all starts with passage of the Stop Excessive Energy Speculation Act.

I yield the floor.

The ACTING PRESIDENT pro tempore. The Senator from Florida.

Mr. NELSON of Florida. Mr. President, as the Senate debates a bill that will stop out-of-control speculation in the energy commodity markets, I would like to make a brief statement on this legislation and why it is essential that we act on it.

For weeks now, the Senate has heard testimony from experts, even oil executives, who attribute the shocking increase in oil prices to the influence of oil speculators.

Here are a few examples:

> The [oil] fundamentals are no problem. They are the same as they were when oil was selling for $60 a barrel, which is in itself quite a unique phenomenon.

That was from Jeroen van der Veer, Chief Executive Officer, Royal Dutch Shell, Washington Post Apr. 11, 2008.

> $100 oil isn't justified by the physical demand in the market. It has to be speculation on the futures market that is fueling this.

That was from Clarence Cazalot Jr., Chief Executive Officer, Marathon Oil, October 2007.

> The price of oil should be about $50–$55 per barrel.

That is from Stephen Simon, Exxon Mobil Senior Vice President, Senate Judiciary Committee April 1, 2008.

What has happened in our markets? Clearly, we are not suffering from a supply and demand problem. Something else is happening.

In 2000, about 37 percent of the oil futures market was comprised of speculators who include investment companies and investment banks as well as institutional investors, like pension funds. Eight years ago, 63 percent of the oil futures market was represented by companies that were hedging the price of oil because they need oil to function, for example, the airlines.

How has the market changed in the past 8 years? Seventy-one percent of the oil futures market is in the hands of speculators who rarely take control of the oil they are bidding on, and only 29 percent represent companies that use it for the purpose that most of us would agree it should be intended.

So we know speculation is growing when it comes to oil, and we know the transactions have gone up 600 percent in the last 8 or 10 years.

What allowed this to happen? The infamous ''Enron Loophole,'' which was slipped into must-pass legislation in late December of 2000.

This loophole allowed energy futures to be traded without Federal oversight. Various investigations of the Enron collapse have pointed to this loophole